Chapter 2

Innovation by Imitation?
Benchmarking Success Stories of Regional Innovation

Gert-Jan Hospers
University of Twente, The Netherlands & Radboud University, The Netherlands

Erwin van Tuijl
Erasmus University Rotterdam, The Netherlands

Paul Benneworth
University of Twente, The Netherlands

ABSTRACT

In the hope to boost regional competitiveness, public authorities increasingly try to imitate success stories of regional innovation. For most areas, Silicon Valley is the dream scenario. Against this background, the chapter discusses the usefulness of benchmarking success stories of regional innovation. For this purpose, the authors review insights from Schumpeterian innovation theory, economic geography, and public policy studies. On the basis of this overview, they conclude that especially in the field of regional innovation, it is hard to reproduce the success of best practices. Therefore, the authors plea for more realism in regional innovation policy: regions may draw inspiration from success stories, but cannot turn themselves in a second Silicon Valley. Thus, the guiding principle for public authorities should be: don’t imitate – innovate!

INTRODUCTION

Innovation ranks high on the agenda of today’s regional policy makers. Innovation is seen as nothing less than the heartbeat of regions that generate jobs, economic growth and welfare. To devise their innovation strategies, public authorities mostly turn to regional success stories. Consequently, most subsidiary policies (like promoting high-tech clustering, the building of knowledge parks and setting up innovation funds) are based on interregional-comparisons and thus what worked somewhere else. In practice, this trend of regional benchmarking – which is heavily promoted by
the European Commission and other European institutions – has led to the set-up of policies with similar objectives, policy concepts and instruments (Lagendijk & Cornford, 2000; Koschatzky, 2009; Huggins, 2010). Everywhere, policy makers claim to aim for ‘competitiveness’ by creating ‘framework conditions’ for the formation of ‘high-tech clusters’ and ‘innovation systems’. Thus, it is hoped to turn the area into a ‘learning region’ that rivals the success of high-tech hub Silicon Valley. Without a doubt, this Californian region has reached the status of one of the most successful ‘best practices’ in the world. Silicon Valley is the home of Stanford University and Hewlett & Packard. The semi-conductor cluster that resulted has produced a lot of applications in the field of information technology. All over the world it is tried to create such ‘Silicon Somewheres’ (Florida, 2002). Some areas even frankly admit it that they want to become the next Silicon Valley, as they brand themselves as Silicon River (Missouri), Silicon Mountain (Pennsylvania), Silicon Coast (Auckland), Silicon Plateau (Bangalore), Silicon Kashba (Istanbul), Silicon Glen (Scotland), Silicon Saxony (Eastern-Germany) and Silicon Seaside (South Norway). Besides Silicon Valley popular European examples of ‘best practice’ regions are Emilia-Romagna, Baden-Württemberg, Sophia Antipolis and the Öresund (Fuchs & Shapira, 2005). Inspired by such regional ‘laboratories of modernity’ governments at all scale levels tend to focus on high-tech activities in their attempts to raise regional competitiveness.

The aim of this chapter is to assess the usefulness of such territorial benchmarking in regional innovation and to find out what lessons can be drawn from regional success stories. For this purpose, we combine insights from three bodies of knowledge: Schumpeterian innovation theory, economic geography and public policy studies. First, we will show that the work of Schumpeter, an author who is mostly cited by governments in justifying their regional innovation policies, is not only relevant in matters of innovation: his theory also can be used to explain the copycat behaviour among authorities in a political context. Then, we briefly list the factors that are generally seen in the economic-geographical literature as the determinants of regional competitiveness. After that, insights from comparative public policy are used to identify the ‘contingencies of lesson-drawing’, i.e. the preconditions that affect whether a policy measure can be transferred from one place to another. In the last section we conclude and provide recommendations for regional innovation policy.

**BENCHMARKING AND SCHUMPETERIAN THEORY**

In general, governments use scientific insights only when they can help them in achieving political aims. This applies for regional innovation policy as well. Especially since the 1990s, when traditional regional policy was criticized, the literature on regional innovation systems (RIS) provided new roles for government (Cooke et al., 1998; Fuchs & Shapira, 2005). In the RIS-perspective, the geographically concentrated development of new products and processes (innovations) is seen as the engine behind regional economic growth. Regional innovation is regarded as a cumulative learning process whose success depends upon the close cooperation between private and public organizations. Together these market- and non-market parties make up a regional system of innovation. If there are mismatches between its constituting parts (e.g. lack of cooperation between firms and universities), it is argued, the innovation system performs below its potential and regional innovation policy may be needed to correct these so-called ‘system failures’. Over the last decade or so, this systemic view has become popular both in the literature and in policy circles (see for instance OECD, 1999 and OECD, 2010). In nearly all papers and policy documents on regional innovation systems, reference is made to the work of the famous economist Joseph Alois Schumpeter.
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